In so far as bank loan defaults are concerned, the Government has put in place a mechanism to monitor performance of public sector banks on the basis of 'Statement of Intent on Annual Goals' submitted by them on various performance, parameters including deposits, advances, non-performing assests, cost to income-ratio, return on assets, etc. Banks adopt various strategies for recovery of their non-performing assets.

(b) In view of the above, the question does not arise.

Funds by Insurance Companies for Infrastructure Development

†2999. SHRI BALAVANT ALIAS BALAPTE: Will the Minister of FINANCE be pleased to state:

(a) whether private insurance companies had assured Insurance Regulatory and Development Authority (IRDA) that they would provide Rs. 30,000 crores for infrastructure development;

(b) whether these private companies have provided said funds for infrastructure development;

(c) if so, the details thereof, company-wise; and

(d) if not, the details of action taken by Government against said companies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) No, Sir.

(b) to (d) Do not arise.

Correct valuation of IPOs

3000. SHRI SANJAY RAUT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that most of Initial Public Offerings (IPOs) since last two years are quoting below the offer price and some of the IPOs are trading below 40 to 60 per cent in the market presently and retail/small investors in-particular have been badly hit;

(b) if so, the response of Government thereto; and

(c) what steps Securities and exchange Board of India (SEBI) would take in future to arrive at correct valuation of the companies to prevent such situation of IPOs so that small investor's money could not be affected badly?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) As informed by SEBI, the details of IPOs listed during the period April 1, 2006 to March 31, 2008 are as follows:

	NSE	BSE
(i) No. of IPOs listed	150	162
(ii) No. of IPOs trading at a discount (as on April 11, 2008).	86	88
(iii) Of (ii), number of IPOs trading at a discount of more than 40% to issue price (as on April 11, 2008).	36	38

† Original notice of the question was received in Hindi.

(b) and (c) The authorities do not try to manage or control prices. they endeavour to build systems and practices to deepen and broaden markets which can withstand volatility. The Government has put in place systems and practices to promote a safe, transparent and efficient market and to protect market integrity. The systems instituted include advanced risk management mechanisms comprising on-line monitoring and surveillance, various limits on positions, margin requirements, circuit filters, etc. Measures taken to broaden and deepen markets include: screen based trading system, dematerialization of securities, corporatization and demutualization of exchanges, settlement through clearing corporation, trading in derivatives, etc.

Under the current regulatory regime, the price is discovered by the market through book building mechanism, while the authorities endeavour to make all relevant information available to market participants including issues and investors for making informed investment decisions.

Raids by Income Tax Department

3001. DR. K. MALAISAMY: Will the Minister of FINANCE be pleased to state:

(a) the parameters or basis on which raids are undertaken by Income Tax Department;

(b) whether there are instances of raids based on various other considerations; and

(c) whether there are instances of arbitrary vindictive raids about which adverse indictment was given?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Search actions/raids by the Income Tax Department are undertaken on the basis of parameters laid down in sub-section (1) of Section 132 of the Income Tax Act, 1961.

(b) No, Sir. Searches are conducted as per the provisions of Section 132 of the Income Tax Act, 1961.

(c) No. Sir.

Investment in Infrastructure

3002. SHRI TARIQ ANWAR: Will the Minister of FINANCE be pleased to state:

(a) whether it is fact that India is investing less percentage of income than that of China and other Eastern countries on infrastructure;

(b) if so, what are the reasons for low investment; and

(c) what are the steps Government is taking in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The XI Plan Document estimates the total investment in infrastructure to be around 5 % of the Gross Domestic Production (GDP) in 2006-07. As per the Report of Asian Development Bank (ADB) on "Connecting East Asia : New Framework for Infrastructure, 2005"; as per 2003 figures, while China, Thailand and Vietnam invested more than 7% of GDP in infrastructure, the corresponding investment in Cambodia, Indonesia and Philippines was less than 4% of GDP.

(b) and (c) Strategy for infrastructure development in XI Plan is based on, *inter alia,* dominant role of the State; attracting private investment through appropriate forms of Public